



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Beverly Eaves Perdue, Governor
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Steve Jordan, Director

January 19, 2012

Memorandum

To: Psychiatric Residential Treatment Facility Providers

**From: Sandee Resnick, Acting Accountability Team Leader
Resource & Regulatory Management Section**

**Subject: 2011/12 Medicaid Audit of Psychiatric Residential Treatment Facility Providers
(PRTF)**

This is an update to the letter dated October 4, 2011 that you received regarding upcoming audits of PRTF providers. Since that time, the parameters of the audits have changed per the criteria that the Division of Medical Assistance (DMA) now needs to apply. The rest of this letter outlines the specific details of the approaching Medicaid audits.

Between February 6 and March 30, 2012 the NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) will conduct Medicaid audits of Psychiatric Residential Treatment Facilities (PRTF) directly enrolled with North Carolina Medicaid. The list of PRTFs to be audited, including the specific date of each scheduled audit, is posted on the DMH/DD/SAS website. The Medicaid audit will take place at your PRTF address listed on the posted schedule. All reviews will begin at 9 AM on the scheduled date.

Please keep this letter throughout the audit process for reference purposes.

**Note: All documents required for preparation for this audit event
are posted on the DMH/DD/SAS website:**

<http://www.ncdhhs.gov/mhddsas/audits/index.htm>

Audit Process and Components:

A listing of and schedule for the directly enrolled PRTF providers to be audited is posted on the DMH/DD/SAS website found at <http://www.ncdhs.gov/mhddsas/audits/index.htm>.

For specific information on audit tools to be used during this audit and scheduling information, please find the following documents on our website.

- √ **DHHS Medicaid PRTF Audit Tool 2011**
- √ **Staff Qualifications Checklist**
- √ **DHHS PRTF Staff Ratio Tool 2011**
- √ **2011 PRTF Audit List by Parent Company/Provider**

- **The following information will be sent via UPS at least one (1) week prior to each audit date:**
 - √ List of service records to be audited (this list will *not* be posted on the web). The list will include names and birth dates
 - √ Dates of documentation needed for the Staff Ratio review (these dates will *not* be posted on the web).
- All events for the PRTF audits will be drawn from **paid claims dates of April 1, 2011 through September 30, 2011. These paid claims dates may include services provided on any date between April 1, 2011 and September 30, 2011.**
- **The individual PRTF sample of service events for each audit will consist of between 100 and 130 randomly selected service records / service dates per provider. PLEASE REFER TO THE ATTACHED LETTER FROM THE DIVISION OF MEDICAL ASSISTANCE FOR SPECIFIC CHANGES TO THE AUDIT PROCESS.**
- **In the event we can not complete the audit within the scheduled time period, the team leader will make arrangements with the provider for additional time.**
- It is required that each Medicaid provider have staff persons who are familiar with agency records available during the audit.
- Once the audit is complete and auditors have left the site, no additional documentation will be accepted.
- Service documentation needed for audit **must be indicative of what was current and in place for all possible dates of service from April 1, 2011 through September 30, 2011, inclusive.** Please provide complete service records for review so all documentation needed can be easily accessed.

Audit Completion:

- At the completion of the audit, the audit team will provide a brief exit interview outlining the general findings of the monitoring event.
- Please note that there may be revisions to the on-site findings when the audit tools are reviewed later by an audit team leader.
- A report of the findings will be provided by the Division of Medical Assistance (DMA) as soon as possible following the completion of the entire PRTF audit cycle.
- **Requests for reconsideration of Medicaid audit findings are directed to the Division of Medical Assistance (DMA).** Information on the DMA process and timelines for submitting such requests will be included in the DMA information provided with the audit results.
- **Out of compliance findings that represent a systemic issue may require that a Plan of Correction (POC) be submitted to DMH/DD/SAS.** Information on the DMH/DD/SAS

process and timelines for submitting POCs will be included when you receive formal notification of the assignment of a Plan of Correction. This will occur under separate cover from the notification by DMA of audit results.

Contacting Us

If you have questions concerning the information in this memorandum, or anything else related to this Medicaid audit, please contact:

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We look forward to a successful audit.

SR/sr

cc: DMH/DD/SAS Executive Leadership Team
Tara Larson, DMA, Chief Clinical Operations Officer
Patrick Piggott, DMA, Chief Behavioral Health, Program Integrity
Catharine Goldsmith, DMA, Children's Behavioral Health Services Manager